BLM - Cedar City Field Office Phone Conversation Record

Date:

January 26, 2010

Time:

10:00 am

Persons Present:

Ed Ginouves, CCFO Minerals Specialist Jimmy Hodges, operator/claimant 435-438-5574

Conversation Record:

I called Mr. Hodges to discuss his plans for the Wah Wah prospect given DOGM's letter of 11/222/2009 requesting an increase in bond for the site.

Mr. Hodges said he had received the letter and clearly he was discouraged that the State was requesting a bond increase given the challenging economic times.

I took some time to fully explain the reason for the letter and the options available to him and it appeared he will choose to amendment the SMO to 1 acre of disturbance and post the additional \$1,400 bond amount with the State, increasing the current bond of \$6,000 to \$7,400.

Mr. Hodges still has no near term plans for the site. He does not own any excavating equipment of his own. He said he would like to get a track drill to the site and drill a number of deeper holes to assess the beryl occurrence at depth, but for the foreseeable future, he has no money to hire someone.

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Div. of Oil, Gas & Mining